stated represented 117.5% of their combined salaries.

Senator Dole released a summary of their joint return, highlights of which indicate that Dole earned $135,750 for speaking engagements, but that 37.9% of this, or $51,500 was donated directly to charity. An itemized listing of the charitable donations is attached.

As a result of the honoraria income from speaking engagements, Dole paid $34,782 in Federal taxes in addition to those taxes withheld from his Senate salary. This figure represents 25.62% of the honoraria earned, and 57.34% of his Senate salary. As a consequence, Dole retained only 36.44% of the honoraria income after deducting the charitable donations and additional Federal taxes. In the future, Dole will channel these contributions directly to charity through the auspices of the Dole Foundation, a newly formed public foundation organized for the benefit of handicapped citizens in Kansas and across the nation.

Other highlights of the return indicate that none of Dole's income was from stocks or bonds and that he had no tax-sheltered income. His only other income was from radio programs that netted him $6,397, he received $7,709.73 in interest from savings accounts and certificates of deposit, and a non-taxable retirement pension from the U.S. Army of $12,596.74, which the Senator receives as a result of injuries sustained in World War II.

Detailed summaries of the Doles' joint returns for the years 1978 through 1982 are attached.

Honoraria Donated to Charity—1982—Senator Bob Dole

Easter Seal Society for Crippled Children & Adults of Kansas	$3,200
Kansas Elks Training Center for the Retarded	1,500
American Lung Association of Kansas	1,800
Institute of Logopedics, Inc., Wichita, Kansas	200
Foundry Methodist Church, Washington, D.C	10,000
Kansas Jaycee Cerebral Palsy Foundation, Inc	3,200
Leukemia Society of America, Kansas Chapter	1,600
Kansas Masonic Home	400
The Salvation Army, Kansas City, Kansas	1,400
Kansas Foundation for the Blind	2,800
Lakemary Center, Paola, Kansas	2,400
Kansas Chapter, American Heart Association	2,500
Kansas Children's Service League	2,000
Kansas Association for Mental Health	1,500
Capper Foundation for Crippled Children, Topeka, Kansas	2,000
National Kidney Foundation of Kansas and Western Missouri	4,000
United Negro College Fund, New York, N.Y	4,000
Kansas Wesleyan College, Salina, Kansas	1,000
Kansas Society for Crippled Children	2,000
Kansas Association for Retarded Citizens, Inc	2,000
WETA-TV 26, Washington, D.C	2,000
Total honoraria donated to charitable organizations	51,500

SENATOR AND MRS. BOB DOLE—TAX SUMMARIES—1978–1982

	1982	1981	1980	1979	1978	5-year average
Total income	[1] $436,676	[2] $283,068	$207,559	$96,391	$125,889	$227,717
Combined salaries	125,741	116,017	60,663	67,970	107,500	95,578
Honoraria	[1] 142,147	[2] 66,850	29,850	20,325	22,500	56,334
Employee business expense	22,196	17,873	5,695	7,470	5,588	11,764
Adjusted gross income	414,480	257,695	198,264	88,921	120,301	215,932
Deductions:						
Medical	150	150	150	150	150	150
State, local and other taxes	26,378	20,426	11,600	5,304	9,666	14,675
Interest	4,406	([3])	2,450	2,525	2,548	2,386
Charitable contributions	69,588	46,710	19,919	6,417	7,938	30,114
Miscellaneous	12,376	5,858	6,157	24,358	12,106	12,171
Total Federal taxes paid	142,564	93,534	80,052	38,424	36,538	78,222
Federal taxes withheld	37,372	37,577	19,861	21,888	32,050	29,750
Additional Federal taxes paid	105,192	56,935	60,191	16,536	4,487	48,668

[1] Includes $51,500 in honoraria donated directly to charity (see attachment), and $6,397 net income from radio programs, but excludes $12,596.74 in non-taxable retirement pension from U.S. Army Senator Dole receives as a result of injuries sustained in World War II.
[2] Includes $30,500 in honoraria donated directly to charity.
[3] $2,374 standard home mortgage interest deduction included in Employee Business Expense.●

WHITE PAPER ON NATIONAL SECURITY

● Mr. ARMSTRONG. Mr. President, Mr. Edward Walsh has prepared for the U.S. Industrial Council a thoughtful and provocative "white paper" on national security. It is meticulously researched, carefully written, and suggests some imaginative answers to some of the most vexing questions facing us in national security policy. I believe all Senators will profit from studying it carefully. I ask that the United States Industrial Council's White Paper on National Security be printed at this point in the RECORD.

The material follows:

UNITED STATES INDUSTRIAL COUNCIL WHITE PAPER: NATIONAL SECURITY

PREAMBLE

This paper is a statement of the United States Industrial Council's views on the critical issues of national defense. It is a broad statement, an attempt to look to the future, with a sense of concern about the present.

A statement by a business organization on the vast and complex issues of national security must necessarily provoke disagreement within the American business community. Those who facilely separate national security from more immediate economic issues affecting their balance sheets may well object to the importance the USIC places on national defense. Yet the Council derives its identity from such disagreement. We are an organization of American businessmen who consider ourselves Americans first. Furthermore, as businessmen, we see a clear link between the defense of our nation and those allies who share our political values, and the preservation of the vital and precious economic liberties that enable us to continue to provide prosperity and security to our employees, our shareholders, our families, and our country.

INTRODUCTION

The United States Industrial Council has long recognized the need for America to remain militarily strong. The Council membership is composed of patriotic businessmen who believe that our precious political and economic liberties, including the freedom to participate in a free enterprise economic system, are purchased by constant vigilance against internal and external enemies.

Forty years ago, those enemies were the forces of militarism and fascism. Today, the principal threats to our nation are Soviet imperialism and the puppets of international communism, aligned against us since the end of World War II.

U.S.-Soviet relations since the Second World War and even earlier is characterized by conflict and competition for political, economic, and military leverage in every corner of the globe. Although this point seems so elementary as to hardly be worth mentioning, it deserves to be stated early in this paper, since recognition of the fundamental, unrelenting conflict between the United States and the USSR, at every level, is the linchpin of the USIC perspective on national defense.

Furthermore, the reality of U.S.-Soviet conflict is no longer as apparent as it once was. Two decades of diplomatic obfuscation and overwrought idealism by liberal U.S. policymakers have distorted the image of the Soviet Union, transforming it from that of an aggressive, totalitarian, militaristic superpower, as the USSR was recognized to be twenty years ago, into an economically troubled, insecure, and backward rival to the U.S., but still a rival that yearns for friendship with the American people.

Backward it may be. Economically weak it certainly is. Yet, in international affairs, the Soviet Union today is essentially the same as it was under Stalin: aggressive, ambitious, deceitful, and militaristic. This reality has never changed, even in the years of pretensions to "détente," when trade and cultural contacts with the Western democracies expanded greatly. Neither has it been altered by fifteen years of discussion of strategic arms control with the United States, and negotiations on reduction of conventional force levels in Central Europe with the Western allies. Rather, a cursory look at recent history shows that the Soviets have scored their greatest political and military gains in the years when Western diplomats

believed them to be growing more conciliatory.

The Cuban missile crisis of October, 1962 is probably the most useful point of demarcation from which to trace the modern U.S.-Soviet military relationship. At that time, the United States enjoyed nuclear supremacy over the Soviets in a ratio of roughly 10:1 and was thus able to face down boldly Premier Khrushchev's attempts to base nuclear weapons in Cuba. The concensus among Western observers of Soviet affairs is that that humiliation ensured Khrushchev's removal from power, which took place in 1965, orchestrated by a triumvirate led by Leonid Brezhnev, who was to lead the USSR until his death in November 1982.

If Brezhnev's accession to power was rooted in Soviet military shortcomings, he quickly set about redressing them. Even as the Soviet government accepted President Lyndon Johnson's invitation, at the Glassboro summit in 1967, to begin strategic arms limitations talks, the Soviets were building their armed forces, both conventional and strategic, into the largest military machine in history. That buildup continues today.

COMPARISON OF FORCES

Although it is impossible to determine exactly at what level the military capabilities of the United States and the Soviet Union are equal, all experts believe that, since the mid-Sixties, the military balance has been transformed from one of clear-cut American supremacy in nearly every area to a condition of "parity," or "rough equivalence," which means that the Soviets, while remaining behind the U.S. in certain fields, have in fact surpassed us in others. It is clear, moreover, that the Soviets, while improving and increasing their military capabilities across-the-board, have put special emphasis in the areas in which the U.S. formerly held overwhelming superiority: naval power and intercontinental ballistic missile forces.

To gain a clearer insight into the current U.S.-Soviet military balance, it is necessary to look at the figures on the forces that comprise it. In doing so, we recognize that the capabilities and weaknesses of specific weapons systems and military units vary greatly, and that the military establishments of both superpowers are configured for different missions. Still, the disparities are startling. For example, in 1981 the Soviet armed forces numbered more then 4.8 million men. Soviet ground forces are organized into 180 divisions, including motorized rifle, tank, and airborne divisions, deployed in Eastern Europe, Mongolia, and Afghanistan. These forces are armed with 50,000 tanks and 20,000 artillery pieces. They possess more than 5,200 helicopters. In contrast, the American armed forces are expected to number 2,127,000 men and women by the end of 1983. U.S. ground forces will be composed of 16 Army and three Marine divisions.

The Soviet Navy boasts 360 major surface warships and amphibious vessels, up from about 260 in 1965. In addition, the Soviet fleet includes 935 smaller missile and patrol vessels and minesweepers, and some 755 logistical and auxiliary ships. The Soviet Navy operates 377 submarines, 180 of which are nuclear powered. Of these, 270 are torpedo-firing attack submarines, the latest class of which is believed to be the fastest and deepest diving in the world. The balance of the conventional submarine inventory is composed of cruise missile-firing boats that can strike at surface targets from a distance of 60 miles. The newest, Delta class of Soviet submarine is a strategic weapon, armed with ballistic missiles that can reach targets in the United States from most of the oceans of the world.

Soviet naval aviation maintains 1,440 aircraft, including the supersonic Backfire, which can attack ships from long ranges with cruise missiles or bombs. The Backfire is also a strategic bomber in the Soviet Air Force. The Soviet Navy also has some 400 fixed-wing aircraft for anti-submarine warfare and surveillance.[1]

In 1981, the U.S. Navy possessed 370 surface battle force vessels, including combatant ships, amphibious vessels, patrol craft, minesweepers, and support ships. The Navy had 87 attack submarines and 34 intercontinental ballistic missile-firing subs (SSBN), for a total of 121, of which 115 are nuclear-powered.[2] The Reagan defense program proposes to increase the total number of vessels, including submarines, to 526 by 1984 and aims at a 600-ship navy by the late Eighties.[3]

U.S. naval aviation, by 1984, is expected to muster 16 tactical air wings, including 3 Marine air wings and 24 land-based patrol squadrons and support aircraft. Total operating naval air strength will reach 4,940 aircraft by 1983. This will include 643 fighters and 1,075 attack planes,[4] as well as antisubmarines, patrol, transport craft, trainers, and others.

The Soviet Air Force is divided into three separate air divisions, frontal (tactical), long range, and transport. The tactical division possesses some 4,800 fixed-wing combat aircraft, 250 transports, and 3,500 helicopters. The transport air arm has approximately 600 medium and long range cargo planes. Soviet long range aviation maintains a force of over 800 bombers and support aircraft, including 156 bombers capable of carrying nuclear weapons. These include about 70 Backfires. The Soviet air defense force consists of roughly 2,500 fighter aircraft, including the sophisticated Foxbat, which can operate at an altitude of 25,000 meters. The Soviet Air Force also possesses an early-warning AWACS-type aircraft and is developing a newer version of it.[5]

The United States Air Force is expected to have 26 active tactical air wings of 72 planes in 1984. These would eventually be composed of high-performance F-16 and F-15 jet fighter-interceptors. Bomber versions of these planes are also planned. The Air Force expects to have 20 strategic bomber squadrons by 1984. The B-1 strategic bomber program has been revived, after being canceled by President Carter in 1977. Eventually, 100 B-1s are expected to be built.[6]

Soviet strategic forces are likewise formidable. Since the mid-1970s the Soviets have developed three new land-based intercontinental missiles (ICBM), the SS-17, -18, and -19. The SS-18 is the world's largest rocket, more than twice the size of the U.S. Minuteman III. All these missiles are configured as multiple-targeted reentry vehicles (MIRV), that is, multiple warheads mounted on a single launcher. Soviet ICBM forces now boast five types of launchers (SS-11, -13, -17, -18, -19) for a total of 1,398. The Soviet Navy, furthermore, possesses 950 submarine-launched ballistic missiles (SLBM), which carry a total of about 2,000 warheads.[7]

The strategic forces of the United States include 1,000 Minuteman II and III ICBMs, and 43 Titan II ICBM launchers. Each Minuteman III is capable of carrying three MIRV'd warheads. Currently, the U.S. SSBM forces carry 616 Polaris, Poseidon, or Trident SLBMs.[8] The U.S. Air Force's strategic bomber squadrons include some 300 long-range bombers.

[Charts are not printed.]

Footnotes at end of paper.

Theater nuclear weapons, based in Europe, are a key indicator. The United States has 108 intermediate-range nuclear missiles, which are more than offset by some 750 Soviet land-based theater nuclear missiles of varying types, including the newest, SS-20, a mobile missile based in Eastern Europe and the Western Soviet Union.

These figures are the key to the U.S.-Soviet military balance. They do not tell the whole story, since the forces of our NATO allies and the Warsaw Pact countries have not been included. However, the essential "correlation of forces," to employ the Soviets' term in the military context, remains the same even when the totals for those countries are considered: clear superiority in numbers in manpower and most weapons systems for the Soviets, with areas of demonstrated technological superiority for the Western allies.

The general perception of Soviet advantage in numbers, and Western lead in technology, the "quantity versus quality" view, has been the heart and soul of U.S. national security policy for nearly a generation. The American strategic arsenal was developed and deployed, at least in part, to serve as a nuclear "umbrella" over our Western European allies, whose conventional forces were not then, and are not now, expected to be a match for the massive Soviet and Warsaw Pact formations stationed in Central and Eastern Europe—even in concert with ours. Instead, should war come to Europe, the allies would rely on superior mobility, armor and anti-air defense, and theater nuclear weapons.

The American lead in the application of sophisticated technology to weaponry is still today a significant factor in assessing the U.S.-Soviet military balance. In certain areas—for example, the employment of microelectronics in air defense—the U.S. lead remains dramatic. The Israeli Air Force's destruction of Soviet-built Syrian air defenses in June 1982, using American techniques of coordinating early warning, detection, and attack, clearly demonstrates that in the United States, military technology has advanced to a very high level of sophistication.

Nevertheless, the principal consideration must be to determine what U.S. national security policy should be in the future, not the present. What matters most is the long-term trend in the evolution of the military establishments of both superpowers. The theme may have been "U.S. quality" arrayed against Soviet "quantity." But the trend in nearly every criterion of military preparedness has been in the Soviets' favor. The relationship today is more precisely U.S. quality vs. Soviet quality and quantity.

In short, the fundamental assumptions on which U.S. defense policy has long been based have been fractured. The perennial warnings about Soviet efforts to "catch up" with the U.S. in military power are on longer relevant. Although the perception of U.S. technological superiority in certain areas remains valid, the Soviets have caught up. Despite the hopes of liberals in the U.S. foreign policymaking apparatus through the Sixties and Seventies, the trends in Soviet military development demonstrate that the Soviets are not, and never have been, content with "rough equivalance." Instead they are pressing for clear military superiority over the West.

This conclusion is amply supported by the recent history of Soviet and U.S. spending on defense. The chart below provides a graphic illustration of the trends in military spending by both superpowers:

[Charts are not printed]

The chart reveals not one, but two significant trends: first, the nearly inexorable growth in Soviet military outlays; and, second, the precipitous decline in U.S. defense expenditures in the years 1968-1976.

The U.S. Defense Department, in its 1981 report on Soviet military power, estimated that in 1979, the Soviet Union outspent the United States on defense by 70 percent. Gen. David C. Jones, who retired as chairman of the Joint Chiefs of Staff last year, suggested in his Fiscal Year 1982 Military Posture Statement a more conservative figure of 50 percent, or a dollar figure of $450 billion over the past ten years. The Central Intelligance Agency estimates that the Soviet devote 12-14 percent of gross national product to military expenditures. The Soviet defense sector is the first priority of the Soviet economy. In contrast, U.S. defense spending in relation to GNP is depicted below:

[Chart is not printed.]

The conclusion to be drawn from the evolution of Soviet and U.S. military spending is not that the United States should mimic the Soviets in every weapon ordered and dollar allocated to defense. Comparisons of forces and expenditures are only useful in discovering the direction most likely to be taken by both sides into the future. Until 1978, the disparity in the trend was unmistakable: the USSR regularly and dramatically increased its military spending, regardless of overall economic growth year-to-year. In contrast, American military expenditures declined consistently, both in real terms and as a percentage of GNP, with the exception of the bulge on the graph during the years of the height of the Vietnam War.

The chart on Page 9 demonstrates that United States military preparedness vis-a-vis the Soviet Union has declined markedly over the years. It shows also that Congressional concern for military readiness has deteriorated.

A STRATEGY FOR DEFENSE

The position of the United States Industrial Council is that both of these trends must be reversed, if our political and economic liberties—and those of our allies—are to be safeguarded against the multiple forms of Soviet aggression, subversion, and intimidation that have been made possible by the Soviets' achievement of military might. As a business organization, the USIC leaves the analysis of the specific means by which our national security can be enhanced to those professionally trained in such matters. A sophisticated debate is taking place in political, military, and public policy forums on the nature of weaponry that the Defense Department should procure into the future, in light of cost, mission, and rapidly developing technologies. Insofar as the participants are honorably engaged in determining how the United States can best defend itself and its interests, the USIC stands apart from the debate. However, it is clear that many of those who object to building new, larger nuclear-powered aircraft carriers, high-performance jet fighters, and other weapons are uninterested in, or antagonistic to, the critical national security challenge facing the United States in the mid 1980s.

The Council believes that the fundamental consideration in deciding what weapons should be tested, evaluated, and procured by the Defense Department is, simply put, that weaponry must reflect a coherent strategy. This unremarkable axiom has served as the underpinning of defense planning through the postwar decades. In recent years, however, questions have arisen as to what the U.S. strategic view should be. Long-held assumptions about our relations with the Soviet Union, China, the Middle East, the nations of Latin America, and our allies in Western Europe have been shaken and revised. The developing nations of the "Third World" commanded greater attention from both superpowers. The repercussions of the Vietnam tragedy were felt throughout American policymaking, and the pursuit of "detente" with the Soviets blurred our assessment of their international behavior.

While our nation's policies and positions with regard to all nations will constantly be amended to reflect changing conditions, our strategic world view, as it affects national security, should remain constant. As stated at the outset of this paper, the USIC believes that the centerpiece of that strategic view should be the conviction that the Soviet Union is the greatest threat to our security, and that the Soviets or their agents are close to the center of most regional political crises that endanger the United States' interests.

For American policymakers to formulate strategy, from which the technical configurations of weapons systems are derived, it is first necessary to examine Soviet international behavior: an unremitting pattern of subversion, terror by proxy, and active aggression in every corner of the globe, resulting, in recent years, in the assimilation of Vietnam, North Yemen, Angola, Nicaragua, Mozambique, and Ethiopia into the Soviet orbit. Soviet efforts continue throughout Central America and Southern Africa. Afghanistan is under the Soviet heel. The Soviets supply arms to Syria, Iraq, and Libya, which function, in varying degrees, as Soviet clients. India has also signed a treaty of friendship with the USSR. In 1980, according to the Defense Department, some 20,000 Soviet military advisers were stationed in 28 countries. The Soviets employ approximately 35,000 Cuban proxy troops in 20 countries. In short, the Soviet strategy is fundamentally aggressive and offensive. It has had significant successes in recent years, compared with only a few setbacks, for example in Egypt, Chile, and Jamaica.[9]

The Soviet strategy aims at the United States and its allies through a variety of political, economic, and covert means. The Kremlin attempts to restrict Western access to mineral and energy resources critical to industry. The underdeveloped, unstable nations of Southern and Central Africa, which provide the bulk of the free world's supplies of chromite, platinum-group metals, cobalt, and manganese are under pressure from Soviet operatives, especially Cuban troops. Through the means of legal and illegal "technology transfer," the USSR has tapped Western sources of sophisticated new technologies for both military and civilian applications. The U.S. Industrial Council has long opposed, and continues to oppose, trade with Soviet bloc countries in such strategic goods and technologies. Currently, there are ten agreements on scientific and technological cooperation in effect between the U.S. and the USSR. These have eased the efforts of Soviet spies to obtain access to classified U.S. industrial and scientific information with potential military uses.

Since the Soviet strategy is offensive, the strategy of the United States must be to counteract that offense. Despite the slanders of leftists at home and abroad, the U.S. seeks only to defend fundamental political freedom. Our strategy is defensive in nature; thus, the military posture through which that strategy is expressed, and the tactical organization and weaponry it deploys, will be configured for defense as well.

For this reason, the USIC strongly supports President Reagan's efforts to increase the tactical and strategic capabilities of our armed forces. It should be emphasized that those efforts do not attempt to suddenly overturn the ratio of federal dollars devoted to domestic social programs and military spending. The President's program aims at a much-needed reorientation of budget expenditures, in order to improve our defenses. A larger share of the budget will be spent on the military, but the weight of federal expenditures will continue to pay for domestic programs, as illustrated on the chart at the top of page 14. In other words, the claim by the opponents of the President's program that funding is being shifted from social programs to defense is false. The President's original defense proposal projected defense expenditures of $1.611 trillion through the years 1982-87. That figure reflects an average real growth rate of 8.1 percent, which is not excessive in light of the trend of the seven preceding years, 1975-81, during which defense spending rose at a real rate of only 1.8 percent.[10] (See second chart on page 14.)

[Charts are not printed.]

THE POLITICAL PROBLEM

As a result of the Administration's efforts, certain improvements in military preparedness can already be noted, especially in manpower levels. The Defense Department has accelerated research, testing, and evaluation of a number of new weapons, both tactical and strategic, that are needed to redress the imbalance between both the NATO-Warsaw Pact conventional force levels and the strategic nuclear arsenals of the United States and the USSR. Because of its demonstrated resolve, the Administration has incurred the anger of the perennial enemies of strong defense: the social welfare constituency, liberal and radical religious activists, and extreme left, pro-Soviet individuals and organizations. At the same time, concern about the Reagan defense proposals has been expressed by others who normally support defense increases: businessmen, conservative Congressmen, and various pro-defense analysts and scholars.

This paper has already replied to those who believe a U.S. defense buildup is immoral; it has detailed the magnitude of the Soviet military buildup and stated unequivocally that U.S. strategy must be purely defensive—of our values and interests and those of our allies. However, the reservations of those who do support some measure of increased military readiness must be addressed as well. In them, there are both sound reasoning and fair questions for the Administration.

The gist of these objections to the Reagan defense program seems to be fourfold: (1) the Administration has failed to deal with the problem of excessive costs for weapons that meet with excessive delays in delivery; (2) political realities prevent further reductions in social welfare spending and other entitlements programs; therefore, the Defense Department must take some cuts if the budget is to be balanced; (3) the Administration, while seeking funding for a variety of new weapons, has failed to enunciate a clear strategy in which those weapons would play a role; (4) having framed the Soviet threat in apocalyptic terms, the Administration has since retreated and compromised on the defense budget in the way of politics as usual.

The first of these charges has been leveled at the Defense Department for many years. Cost overruns are to be found in nearly every government project, and modern weapons, developed on the frontiers of technology, seem particularly prone to them. Still, Defense Department officials of the

Reagan Administration have shown themselves to be sensitive to this charge and have been publicly aggressive in demanding that contractors keep tight reins on costs. Excessive costs are also a function of other problems: in the procurement process, for example, unwarranted political considerations have led to contracts being awarded to firms ill-equipped to fulfill them to specifications or on time, or to contracts being awarded for weapons no longer needed or wanted. This indictment can be leveled at Congress as well as at the Administration.

On the second objection, while the USIC does not believe that the Defense Department should be given carte blanche to spend whatever it likes, it does state, as one of the pillars of the USIC Declaration of Policy, that a credible defense must be maintained. This is a judgment on principle, not on an economic or political calculation of what the nation can afford to spend on national security. The Council believes that defense is the ultimate social welfare program, which determines whether the United States will be able to continue to provide both social services to the undeprivileged and economic freedom to the businesseman.

The third and fourth points are startling opposites. That they are voiced at all demonstrates the central problem of the Reagan Administration's defense planning: the Administration has not adequately explained or defended its policy. The dichotomy was illustrated in a speech by Secretary of Defense Caspar Weinberger on April 19, 1982 to the Council on Foreign Relations. Mr. Weinberger outlined a strategic view that the USIC believes is the correct one. He called the USSR a "mature and aggressive superpower" and explained that "the United States seeks to deter Soviet aggression against the United States and its allies by maintaining the capability to respond effectively at the lowest level of violence."[11] At the same time, however, he stated that the Administration might make "certain budget reductions" in the defense budget for fiscal year 1983. Without retreating from any defense commitment, he suggested that the door was open to cutting the defense plan the administration had suggested one year earlier.

Needless to say, the perception was one of contradictions: of wanting to maintain and even augment military commitments, yet willing to make spending cuts. In the U.S. Congress today, there exists a mentality that is utterly closed to imprecations about national security needs. Thus, while two signals were delivered by the Administration, only one was heard: that the defense budget could be cut. And cut it was.

This is not to suggest that politics can be kept out of defense spending considerations. Horsetrading is inevitable, due to the realities of the task of getting legislation through Congress. But the USIC is concerned with adherence to principle, not with swimming with the political currents of the day. The Council's view is that the Reagan Administration's initial request for obligational authority for defense reflected genuine determination to build up our defenses. It was not extravagant (a 14 percent increase in fiscal year 1982 and about 7 percent through 1986) in view of the continuing Soviet buildup and the decline in U.S. defense capabilities over a ten year period.

The Administration, however, miscalculated the incipient power and ideological dedication of the anti-defense lobby. While offering to compromise on defense spending, it failed to extract important concessions on other budget items. This ignited the opposition to defense spending in Congress that had been neutralized by the Administration's chief political asset: a steadfast, unwavering commitment to national defense.

The Administration's waffling on defense is unfortunate, because it is taken by longtime opponents of larger defense budgets as a sign that defense will be slashed back if the political pressure is sufficient. This kind of pressure takes various forms. Currently, an influential school of defense analysis is arguing that the U.S. can obtain better defense by ordering updated versions of older tanks, smaller, less sophisticated aircraft carriers, diesel-powered rather than nuclear-powered submarines, and simpler helicopters and other conventional weapons systems. The "simpler is better" option may well be worth evaluating where more complex weapons have failed repeated testing and force readiness requires as-soon-as-possible delivery. Nevertheless, it should be considered on a case-by-case basis, not as a general rule. Those who advocate buying all smaller, cheaper, and simpler weapons without regard for mission or battle conditions in which they would likely be used are probably more interested in cutting defense spending than in insuring adequate military preparedness. The "cheaper is better" school is in some ways a convenient, somewhat respectable smokescreen for outright enemies of strong national defense.

THE PROBLEM OF "DETERRENCE"

It is in the strategic area where the Administration risks losing the support of longtime believers in strong national defense—the "defense consensus," as a result of its failure to articulate its policy, or more precisely, the link between strategy and weapons-building. This is especialy true since the spread of a popular movement calling for a bilateral "freeze" on development of strategic nuclear weapons. Despite its roots in the pro-Soviet Left of Western Europe, the freeze movement is also an expression of the fears of many well-intentioned Americans that the nuclear arms "race" is out of control. These fears are a culmination of some twenty years of lack of understanding by the American people of the direction of our nuclear arms policies. Despite the president's efforts this lack of understanding still exists.

The distrust, apprehension, and fatalism displayed by the American people towards new strategic weapons sought by the Administration is not a lack of support for a stronger national defense. Rather, it is the outcome of the legacy of a strategic weapons policy created by engineers and social scientists, instead of experienced military officers, during the Sixties.[12] This policy came to be known as deterrence. It grew out of the search for a policy to control nuclear weapons, in recognition of the new world of warfare that such weapons introduced. As Daniel Patrick Moynihan describes it, "the nuclear power was to deploy its forces so that if attacked, it could attack back, inflicting assured destruction on the party that had attacked it in the first place."[13] Assured destruction was the key, which, it was thought by the theorists who surrounded Defense Secretary Robert McNamara, would deter the United States and the Soviet Union from ever using nuclear weapons. In 1969, Donald Brennan of the Hudson Institute used the term "mutually assured destruction," coining the acronym MAD, which became the watchword of politicians and analysts who opposed the policy, and the siren of the disarmament movement in the Eighties.

The key to deterrence in this sense, therefore, was the calculated certainty of a second, retaliatory nuclear strike. Each side would forever refrain from nuclear attack on the other, it was thought, out of fear of reprisal. It was essential to the theory that the Soviets have the confidence that they too could launch a retaliatory strike, notwithstanding that an unprovoked U.S. first strike against the USSR was as unthinkable then as it is now. Thus, the United States relaxed its lead in nuclear weapons in order to allow the Soviets to "catch up" with us and join us at a level of nuclear weaponry that the authors of deterrence thought would create a stalemate. This slowdown in building strategic weapons meshed well with the political realities of the Vietnam years, when it was difficult enough to get defense appropriations through Congress. But it had a highly theoretical rationale: that each side would deploy a "countervalue" nuclear capability—the power to inflict "unacceptable" civilian casualties on each other—such that the horror of nuclear war would in effect deter it.

The problem with deterrence was that no one explained it to the Soviets. As the Soviets built their strategic arsenal to the level of the awesome power they boast today, it became clear that they were not content with a stalemate. Instead they were building nuclear weapons large enough and powerful enough—and building enough of them—to destroy the American missiles that made up our "deterrent."

In late 1976, the President's Foreign Intelligence Advisory Board suggested that the nation's intelligence community, as part of the annual National Intelligence Estimate, conduct an exercise in strategic theory, utilizing competing teams to challenge and defend deterrence. The challenge team, called the "B" team, won. The N.I.E. conclusion, that the Soviets possessed a "counterforce" or anti-missile capability, sent shock waves through the U.S. defense and foreign policy establishment.

Today the Soviets possess, in their 300-plus SS-18 ICMBs, each of which carries ten warheads, the capability to destroy our land-based deterrent.

The unprecedented Soviet strategic buildup that gave birth to the counterforce capability took place, in the height of irony, during the years of strategic arms limitation talks between the U.S. and the USSR. The SALT II treaty was signed in Vienna on June 18, 1979, by President Jimmy Carter. A little more than a year later, an anonymous Carter Administration official leaked the story that Mr. Carter had signed Presidential Directive 59, which proposed a sea change in strategic policy.[14] Deterrence in its former sense—utilizing assured destruction—was to be augmented by a policy of fighting a "limited" nuclear war. Soviet military installations, including missile silos, communications centers, and command posts, would be targeted, in recognition that the Soviets contemplated nuclear war in terms far less theoretical than most U.S. strategic thinkers. If they possessed the ability to destroy our land-based missile force with a first strike, then deterrence was obviously less credible. While the U.S. strategic missile forces based in submarines would survive such a first strike, the retaliatory power of the SLBMs is less intimidating to the Soviets than the land-based force of ICBMs and bombers, which would be the targets of first strike.

The development of the SS-18 was the key to the end of deterrence as originally envisioned by U.S. planners. It skewed the nuclear "balance" in favor of the Soviets, who have been striving not for balance, but for superiority. In July 1974, Secretary of State Henry Kissinger asked rhetorically: "What in the name of God is strategic superiority? What is the significance of it . . . at these levels of numbers?"

In 1979, Daniel Patrick Moynihan suggested an answer: "Strategic superiority is the power to make other people do what you want them to do."[15]

What the Soviets wanted the U.S. to do was negotiate, and negotiate we did: the fruit of those negotiations was SALT II, an agreement which amounted to a limitation on numbers of launchers, but not on killing power. The 308 SS-18s were not affected. The Soviets retained the prerogative to continue research and development of means to increase the number of warheads that could be carried by their superheavy counterforce weapon.

COUNTERVALUE AND COUNTERFORCE

The Carter Administration's answer was a pledge to deploy the MX missile, a highly accurate replacement for the Minuteman III, that, like the SS-18, would carry ten warheads. Unlike the Minuteman and like the SS-18, the MX would be a counterforce weapon, capable of destroying Soviet missiles in their silos.

The possibility that the United States may build the MX is of profound strategic importance. As a counterforce, missile-killing weapon, it represents a shift away from the Sixties-vintage theory of deterrence. Albert Wohlstetter, one of the earliest strategic thinkers, recognized that since the heart of deterrence was the implicit threat of a second strike, the theory required that the missiles of both sides be invulnerable. The SS-18 renders the U.S. Minuteman vulnerable—a development that causes deterrence in its original sense to collapse. Conceivably the MX could redress this imbalance. But what then?

Wohlstetter warned that it was impossible to insure missile invulnerability for all time. Missile components deteriorate with age, even as the enemy works constantly to achieve a new advantage. Thus there can be no final deterent.

This is the realization we have arrived at today. Over the years, the United States has phased out obsolete ICBMs. The Minuteman II was a replacement for the older Titan II, and the Minuteman III was an update of the former. Now, however, we face an unprecedented situation, a pause in the evolution of nuclear weapons strategy. The Reagan Administration, like the Carter Administration, has been unable to find a politically acceptable MX basing mode that will be invulnerable to attack by the current generation of Soviet missiles and that can be rapidly constructed. Early on, the Administration ruled out Mr. Carter's plan of "multiple-point" basing throughout the deserts of Nevada and Utah, in which the missiles would be transported among 4,600 launch sites—a "shell game" that was universally criticized.

A subsequent proposal to site the MX in hardened Minuteman silos was abandoned in favor of a plan to locate it in superhardened silos in a "dense pack" configuration near Cheyenne, Wyoming. The "dense pack" proposed was announced by President Reagan late in November 1982. It would place 100 MX missiles in silos located no more than 2,000 feet apart, on the theory that attacking Soviet missiles would be neutralized by the first one that exploded, in phenomenon called "fratricide," that would protect the MXs that survived the first explosion.

As with the Carter "shell game" plan, "dense pack" encountered heavy criticism, not only from the anti-defense lobby, but from traditionally defense-minded ortganizations and individuals, including pro-defense conservatives in Congress. Their principal objection is not cost, which at an estimated $35 billion throughout the decade, is considerable. Rather, the question is will it work? Will it insure "survivability" of the MX?

It is apparent, from the debate on the MX and its several basing plans, that the technology of ICBMs has surpassed developments in missile protection. The concept of the "superhardened" silo is something of an abstraction. There is no way of knowing how much protection for the MX would be required, or how much could be provided, in any on-the-ground basing mode, against a barrage of warheads launched by dozens of SS-18s. What is known, however, is that whatever basing mode is approved, the Soviets will immediately begin working to defeat it. On December 6, 1982, Soviet Defense Minister Dmitri F. Ustinov said exactly that: "If the present White House leadership . . . challenges us by starting MX missile development, the Soviet Union will deploy in response a new ICBM of the same class, and its characteristics will not be inferior to those of the MX missile in any way."[16] As Wohlstetter made clear, there can be no final deterrent.

There was, at one time, an attempt to avoid the competition in city-destroying "countervalue" nuclear weapons of the 1960s. As the implications of deterrence, and of Wohlstetter's insights became clear, he and other strategists recommended an antiballistic missile defense for the U.S. Minuteman.[17] Secretary McNamara, committed to deterrence, counseled against an ABM since one of the tenets of deterrence is that U.S. cities must remain vulnerable to attack, if the Soviets were to be assured that they could deter an American first strike by theatening reprisal against those cities. But McNamara did not win the ABM debate. On June 24, 1968, the Senate voted to deploy an ABM system, the Sentinel. Three days later, the Soviets agreed to begin the arms limitation talks that led to SALT I, signed by President Nixon in Moscow on May 26, 1972. The centerpiece of SALT I was that neither side deploy an effective ABM defense. The dismantling of the single U.S. ABM site near Grand Forks, North Dakota was not reciprocated by the Soviets. In violation of SALT I, they continued research and development of ABM, violations of which were at times both clandestine and blatant.

The 1982 report of the Joint Chiefs of Staff reported publicly the U.S. intelligence community's suspicions that the Soviets had continued to work on an ABM system: "A new phased-array radar is being constructed near Moscow. This radar will probably serve in a battle management role for the upgraded Moscow (ABM) system, augmenting or possibly replacing existing (ABM radar) systems."

Today, however, the United States has no ABM defense for its cities. They remain open to Soviet attack, even as the Soviets have amassed a huge arsenal of superheavy weapons that could destroy the heart of the U.S. deterrent, the land-based ICBM, in an initial counterforce strike—and then attack our defenseless cities. Such is the legacy of deterrence, a strategic theory born of political science and sociology, but practiced from the first by only one side.

DEFENSE VERSUS OFFENSE

Furthermore, U.S. vulnerability is aggravated by the clumsy evolution/our strategic policy is undergoing, from one of countervalue-deterrence to one of counterforce capability. In Presidential Directive 59, our strategists recognized that their Soviet counterparts were thinking about the unthinkable, and had been for years. A counterforce strategy, in which weapons and military installations, but not cities, would be attacked, represents the concept that nuclear war may be "winnable"—an idea foreign to deterrence. Moreover, the counterforce posture is a long-needed reorientation of our strategic policy towards defense, and a turning away from a contradictory policy of maintaining offensive nuclear weapons to enforce a policy which, while intended as defensive, always projected the impression that the U.S. strategy is identical to that of the Soviets.

This image of U.S. strategy, though unintended, contributes to the current political difficulties of strategic weapons programs. The confusion, misunderstanding, and apprehension of many Americans over the merits of deterrence have developed over the years and are shared by many strategic thinkers themselves. For example, Edward Luttwak, a conservative supporter of President Reagan's defense plan, wrote in August 1982 that "It was always clearly understood that if for some inexplicable reason the Soviet Union were to launch large numbers of intercontinental weapons upon our cities, then our own use of surviving nuclear weapons to destroy the Soviet population would serve no rational strategic purpose and no moral aim."[18]

Yet the inevitability of such a second strike was the foundation of deterrence. If deterrence was effective in preventing nuclear war, it was because, despite the platitudes about a desire for peace recited by U.S. political leaders over the years, the Soviet Union has been kept sufficiently uncertain as to how the United States would really react to nuclear attack.

A shift away from deterrence, in its original, abstract formulation, to a defensive counterforce posture, in which Soviet missile silos and other military sites, rather than cities, would be targeted, carries both benefits and risks. The benefits are, first, that because this policy is purely defensive, it is the only sensible and moral policy for the United States to have. Second, it demonstrates a seriousness of purpose about protecting national interests, and about the realities of nuclear war, that the Soviets have always understood. Should the MX be deployed in a basing mode that would afford protection from a Soviet attack to a number of missiles sufficient to destroy the Soviets' capacity to launch a third strike, then "deterrence" of a Soviet first strike would remain valid. This is the fundamental goal of the Reagan Administration in backing the MX program.

The risks of a counterforce policy are primarily political. Because a counterforce policy is a genuine warfighting strategy, it incites fervent domestic criticism, as demonstrated by opposition to the construction of the MX. Furthermore, because it is a military strategy, not a political theory, it rests on a sophisticated analysis of Soviet weapons capabilities and wartime probabilities, rather than on the stark and simplistic "eye for an eye" threat of mutually assured destruction. Thus, a counterforce policy is complex and more difficult to explain to the public. In a democracy, these political and educational problems, if mishandled or ignored, have the potential of turning into a powerful tidal wave of opposition, especially when the opposition is reinforced by Soviet agitation and propaganda. The nuclear "freeze" movement carries such a risk.

The Reagan Administration's handling of the shift in strategic policy that the MX implies has not been effective. One might argue that the Administration has not explained the policy at all. It has failed to respond to the change of the anti-defense lobby that the MX is but another terrifying weapon in an endless arms race. The real case for the MX, that it is a defensive

weapon that represents a move away from the arms race of the Sixties and Seventies, has not been made. Moreover, the Administration is wrong to claim that real progress in strategic arms reduction talks will be helped along if the U.S. builds the MX. The American people saw the hope of "real progress" in arms talks dashed by SALT II and will not consent to new missiles as bargaining chips. The irony of arms control talks bearing fruit only if new weapons are built as a result of them is too overwhelming to persuade anyone, as the Carter Administration learned.

Even so, the political difficulties of the MX are not wholly the Administration's fault. The significance of the MX as a counterforce weapon derives from its sophisticated technology, which provides unprecedented hitting power against Soviet silos. To the naked eye of the layman, the MX appears no different from any other giant nuclear missile. Most Americans think of any conflict which involves the use of nuclear weapons as the holocaustic destruction of cities and civilians. The distinction between an anti-weapons strategy (counterforce), and mutually assured destruction (countervalue) is not readily apparent. Further, the MX is just as capable of being used against cities as against missile silos. Thus, it represents a shift away from the deterrence of the McNamara era, but not the clean break with it. The Reagan Administration seems caught between two nuclear strategies, disavowing the old (in effect ratifying P.D. 59), but thus far failing to enunciate the new. Therefore it is perceived by both allies and enemies as having no broad, long-term strategy at all.

While a case can be made for building the MX as a counterforce weapon, large political and technological problems obstruct its deployment. Currently, it appears nearly impossible to achieve a domestic political concensus on new ICBMs in the United States (witness opposition of the conservative Mormon Church to basing the missile in Utah). No genuinely survivable, politically feasible basing mode has been found. As suggested earlier, the technology of nuclear missile attack seems to have outrun that of nuclear missile protection.

The USIC recognizes these realities. The Council believes that the United States must look beyond the technological and political battles over land-based strategic nuclear weapons to the newest realm of scientific, political and military competition—space.

HIGH FRONTIER: AN OPPORTUNITY

Ever since the launch of the Soviet Sputnik in 1957, it has been obvious that the Soviets recognized the vast strategic significance of space. Even now, they are striving mightily to achieve military mastery over it. Throughout the short history of space exploration, the United States has stressed peaceful scientific study, while the Soviets have pursued military advantages. They began in the Sixties, by testing a fractional orbital bombardment system, literally, bombs in orbit. Through the 1960s, both the Soviet Union and the United States, in response to the Soviet effort, conducted research on anti-satellite systems (ASATS), or "hunter-killer" satellites. The U.S. program, however, stagnated and was discontinued in the early Seventies. In February 1976, the Soviets resumed testing of their ASATS, shortly after a U.S. satellite was "blinded" by a mysterious beam of light over Siberia.

The Soviets today have an anti-satellite vehicle that can intercept target satellites on their first orbit. They have the capability to employ anti-satellite vehicles in less than strategic levels of conflict and are pursuing research and development programs to upgrade them.[19] More than 70 percent of U.S. military overseas communications are now routed by satellites. Since the United States is more dependent on satellites for communications, command, and control (C^3) than the USSR, the U.S. is more vulnerable to severe C^3 breakdowns, should a Soviet ASATS prove to be effective during conflict or diplomatic crisis. As a result, President Ford authorized the resumption of U.S. research on ASAT just before leaving office in 1977. However, President Carter placed a cap on spending on the ASAT program in the expectation that limits on such research would be negotiated with the Soviets. The Reagan Administration, in turn, reversed this decision and assigned a high priority to protection of U.S. C^3 systems.

The mission of ASATS, then, is of vast political and military significance. The Soviets intend to use this weapon to put out the eyes and ears of U.S. surveillance and communications systems, not only in the event of war, but during severe political crises. The implications of this Soviet capability and of the Soviet space program in general overshadow many other defense issues.

The Soviet military space program goes beyond the ASATS. According to the Department of Defense, the Soviets have been launching an average of 75 spacecraft per year, a pace four to five times that of the U.S. The annual payload placed into orbit by the Soviets has been approximately 660,000 pounds, or ten times that of the United States. It is estimated that 70 percent of this effort is the purely military purposes.[20] Moreover, Soviet research appears aimed at building a major war-fighting capability in space. A large space booster, which is thought to have six to seven times the launch weight capability of the U.S. Space Shuttle, is under development. Such a vehicle would be a huge step towards a major, permanently orbiting space station, manned by as many as 120 cosmonauts.[21] A space station would feature both offensive and defensive strategic weapons, including powerful advanced lasers and "particle-beam" weapons that transmit thermal energy. These not only would be aimed on U.S. satellites, as in ASATS, but also would have the capability of hitting targets on earth.

To counter the ambitious Soviet military space program, the United States has also made great strides in the research and development of space-based technology for defense. The Space Shuttle program is a great step towards meeting the Soviet challenge, as a "space plane" to monitor and inspect Soviet satellites. The Shuttle technology is a basis for future permanent U.S. space installations, and the Shuttle serves as a model for reusable space ferries that would transport men and material to and from such permanent outposts in space.

The potential of these diverse, complex, and expensive projects is as yet not fully appreciated by all sectors of the U.S. defense establishment. To the public, the concept of space as a theater of future warfare remains in the realm of science fiction. Yet, as technology forces us inevitably to confront the ultimate, critical necessity of advancing into space militarily in order to ensure our survival, the weapons and only partly-formed tactics of space conflict must be incorporated into the United States' overall national security strategy. Again, the fundamental nature of that strategy is defensive, not offensive.

The looming importance of space-oriented technology in the superpowers' order of battle gives the United States an unprecedented opportunity to redefine and re-explain, in the clearest possible way, the defensive intent of our overall military posture. That is because the technology of space, current and potential, enables the U.S. finally to break free of the long-term policy of threatening the Soviet populace with annihilation in response to a Soviet first strike. Instead, through a purely defensive array of weapons that would reach through space and actually operate in space, the U.S. would have the capability—through non-nuclear means—of preventing such a first strike from ever taking place, or short of that, to greatly limit the destruction it would cause.

This is the fundamental premise of High Frontier,[22] an approach to the strategic defense of the United States and our allies that offers a chance to go beyond the present competition in strategic nuclear weapons—a competition which saps the willingness of many Americans to support new expenditures for defense and which fails to ensure adequately our security in any event. High Frontier is a multi-faceted concept of U.S. exploitation of the "high frontier" of outer space that is only partly military. It envisions as well in the pursuit of space exploration a vast array of civilian commercial and scientific benfits.

The credit for the birth of High Frontier as a highly integrated strategic option for the United States belongs to Lt. Gen. Daniel O. Graham, U.S.A. (Ret.). Gen. Graham, who formerly served as director of the Defense Intelligence Agency, recognized in the late 1970s that the nuclear deterrence in the McNamara sense was doomed to both political and military failure. He saw that the fundamental contradiction of an ostensibly defensive strategy utilizing offensive weapons (ICBMs) would become untenable in the face of (1) growing disillusionment with the "arms race"; (2) the rundown in the U.S. defense infrastructure vis-a-vis the Soviets'; and, most importantly, (3) the unwillingness of the Soviets to abide by the central presumption of deterrence: that both sides refrain from targeting each other's missiles.

A central theme of High Frontier is that the basic technology needed to defend the United States from Soviet nuclear attack already exists.[23] No spectacular scientific breakthrough would be required—only the time, funding and bureaucratic effort necessary to develop the requisite space vehicles which would feature weapons, radars, and other systems that grow out of today's technology. The virtues of High Frontier are that it is both straightforwardly devoted to defense (destroying enemy missiles) and fully compatible with the longtime U.S. posture of counteracting Soviet advantages in mass and numbers with technological sophistication (referred to on page 7). As Gen. Graham explains: "A bold and rapid entry into space, if announced and initiated now, would end-run the Soviets in the eyes of the world and move the contest into a new arena where we could exploit the technological advantages we hold." In stressing the defensive nature of High Frontier, he adds that "This is far preferable to pursuing a numbers contest here on earth, which will be difficult if not impossible for us to win."[24]

The elements of High Frontier needed to ensure the defense of the United States, are three:

(1) A quickly deployable point defense for U.S. ICBM silos which could destroy incoming Soviet warheads. Such a system would be a version of the Sentinel and Safeguard ABM, originally intended for just that purpose. This point defense system would rely on a large number of small conventional projectiles fired at enemy warheads close to their targets.

(2) A first-generation spaceborne missile defense, which would employ current "off-the-shelf" technology to destroy Soviet missiles upon launch, including theater nuclear weapons such as the SS-20. Such a system would be capable of defending itself and other C³ satellites from attack.

(3) A second generation space defense able to destroy enemy targets anywhere in space or on earth, using advanced lasers and/or particle beams.

In addition, High Frontier calls for a utilitarian space vehicle capable of inspection, repair, and maintenance of orbiting both C³ and defense satellites and other space vehicles; and a workable civil defense program implemented in the United States.[25]

As noted, the first requirement of a point defense against incoming enemy missiles exploits the ABM technology of the early seventies and since the dismantling of the U.S. ABM program. High Frontier projects 2-3 years for such a system to be deployed. The first- and second-generation active space defense vehicles would take advantages of existing satellite and Space Shuttle technology and is envisioned to be deployable within twelve years.

High Frontier is not an obscure scientific theory, nor a program of the defense and aerospace industries that stand to benefit from its adoption. It is not a radical restructuring of American defense policy—basic research in all of its features has been conducted by the Department of Defense for years.

Instead, it is a new perspective on the requirements of national defense and the potential of science: a blend of highly sophisticated space technology with the critical need to reorient our national security policy away from the politically intractable and strategically unsound posture countervalue-deterrence, toward a clearly defined, straightforward, and politically acceptable stand on defense. Adoption of High Frontier as our approach to strategic policy is not abandonment of the desire to "deter" Soviet attack. It is deterrence on the basis of our ability to actively protect our cities, our industries, and our military installations rather than on a threat to destroy Soviet cities in exchange for our own. High Frontier is a move away from deterrence through mutually assured destruction. It is deterrence based on the ability to ensure the futility of attack.

PROCUREMENT FOR DEFENSE

The momentous decisions of military strategy facing the United States today are underlined by a host of other, less theoretical, but no less urgent, problems. These can be summed up in the question: How does the U.S. address its national security requirements in an era of economic difficulty and budgetary austerity? It is clear that, despite the aminous and growing Soviet threat, the warring interest groups that seek a growing share of the federal budget will not miraculously unite to support needed expenditures for defense. In order to make their case most persuasive, therefore, the Defense Department and the Administration must make the absolute best use of the authorized appropriations for defense. In order to restore the credibility of our defenses by building the essential weapons and conducting the essential research, the DOD, the Administration, and the relevant Congressional committees must look hard at the less critical elements of the defense budget. These include, first and foremost, procurement and personnel.

The general problem of excessive costs in weapons procurement has already been referred to in this paper. Department of Defense acquisition practices, procurement regulations, procurement methods, procurement policies, and procurement procedures adversely affect our military posture and our military readiness.

Our country's defense needs a free enterprise-oriented Defense Department capable of effecting the following goals:

(a) To affect economic efficiency
(b) To stabilize Defense procurement
(c) To affect strategic responsiveness
(d) To encourage competition
(e) To double source procurement
(f) To affect Defense planning through multiyear procurement
(g) To enforce planned production rates
(h) To manage materiel required for operational readiness and war
(i) To maintain effecive materiel maintenance management in support of "trigger" readiness

Our defense preparedness and our military "trigger" readiness will experience a quantum jump improvement of our Defense programs' specifications require the contractors to provide five-year warranties on all military systems and military materiel. Procurement of services, particularly of operations and maintenance services as they relate to materiel readiness, is another source of needless costs and waste. In the current system of operations and maintenance service procurement, technical competence takes a back seat to low price. The short-term effect of this procurement system is a third-rate, inadequate product which the fighting man is required to accept with no questions asked. The long-term effect is the degradation of materiel worth billions and an inadequate state of materiel readiness that directly affects our national security. Inflexible budget restrictions in this unglamorous but critically important area of procurement—a "penny-wise, pound-foolish" approach—has led to technically inferior operations and maintenance services.

Much of this problem could easily be solved. The armed services should have the authority to procure, through preferential purchasing power, the creativity and innovation needed to solve operations and maintenance problems that adversely affect readiness, in lieu of the mandatory low-bid procurement practices now in effect. This change not only could solve service materiel problems that affect readiness, but also could produce order-of-magitude cost reductions and life-cycle savings. Procurement of top-quality operation and maintenance services, even at higher costs, would save billions and achieve "trigger readiness," which is the readiness our fighting forces need in order to win and survive.[26]

OUR DEFENSE BASE

The future of American shipbuilding, of the American merchant fleet, and of the American shipyard defense mobilization base cannot surpass ten more years if the present U.S. maritime policy is not restructured to benefit these United States.

According to Edward J. Campbell, Chairman of the Shipbuilders Council of America and President and C.E.O. of Newport News Shipbuilding, "it would be encouraging to be able to report that the Administration's 'policy,' announced in 1982, will assure the resurrection of our merchant fleet. It will not! Not a single merchant vessel will be constructed or converted in U.S. shipyards as a result of this policy. In fact, it will instead encourage U.S. shipowners to use their profits to finance construction or acquisition of foreign-built ships." [27]

Furthermore, in order to ensure the defense of the United States, the Defense Department should restrict its sources of weapons systems to American firms. Our defense cannot be dependent on a foreign mobilization base. Our friend or ally today could plead neutrality or side with our enemy in time of war.

Our industrial defense mobilization base is thin and weak. Our Defense Department does not maintain the following essentials:

(a) Lower tier defense suppliers for critical parts and material
(b) A skilled labor base
(c) An advance production base
(d) An exotic raw material supply base

There is an urgent requirement to correct these problems and deficiencies by forcing changes into our defense programs. The onus for this change is on the Administration, and it must be supported by the Congress.

PERSONNEL AND PENSIONS

The issue of personnel costs also comes to the fore when defense priorities come under hard scrutiny. The need for adequate manpower at affordable costs is an extremely sensitive national question. The military draft gave way to the all-volunteer Army in 1972—part of the bitter legacy of the Vietnam experience. Since then, the all-volunteer concept has received mixed reviews. Yet it is the extent of U.S. military commitments, rather than the quality of the troops attracted to military service, that poses the future challenge. Of the 2.1 million Americans in uniform, some 528,000 are serving in 129 countries and aboard ship. Over the next five years the armed services plan to increase active duty forces by 9-10 percent.[28]

At the same time, it is estimated that number of 18-year-old American males will fall from 2.2 million to 1.7 million by 1990. Higher manpower requirements and a smaller pool to draw on will make recruiting far more difficult. Nineteen eighty-two was the best recruiting year ever for the services, due to economic recession and substantial increases in military pay and benefits enacted in 1980 and 1981. But continual increases to attract personnel will be difficult to justify. Military pay became competitive with the private sector in 1972 and since then has exceeded it in many areas. The question of whether the nation will be forced to return to the draft is one that is destined to arise again. It is an extremely complex question, involving economic as well as military considerations. The drafting of young men into the military imposes an economic cost, in that their economic productivity is lost to the nation while they serve. Still, the USIC believes that national security considerations should take precedence.

However, there is no question but that one benefit of military services—the military pension system—must be reformed. Some 55 percent of the military payroll, or $16 billion in fiscal year 1983 [29] is devoted to pensions. There are a host of costs, in terms of both economics and military readiness, associated with this overgenerous system. The attractiveness of the pension system encourages skilled military personnel to leave the service when they are most valuable, to seek private employment while eligible for military retirement pay. The military pension program comes directly out of annual appropriations for defense; there is no budgeting of future pensions costs.

The Reagan Administration intends to propose limitations on annual cost-of-living adjustments for retirees whose retirement pay is greater than that of similar personnel retiring under other federal pay scales. In addition, the Administration plans to propose that the defense budget include the cost of pensions being earned by personnel on active or reserve duty. Currently, the

budget includes only the pensions being paid to personnel who have already retired.[30]

CONCLUSION: RECOMMENDATIONS FOR ACTION

This White Paper is an explanation of the beliefs of the American businessmen who compose the United States Industrial Council regarding our national security needs. The USIC staunchly supports President Reagan's five-year plan to increase America's defense capabilities. This White Paper examines the state of our military preparedness, and makes recommendations intended to improve it. First and foremost, it describes the evolution of the Soviet Union's armed forces into a military machine that in many areas is now the equal of our own, and in others actually outclasses our forces. Soviet military power is currently on display in Afghanistan, exacting a cruel and bloody toll on an innocent population. However, as this White Paper explains, Soviet forces are an effective tool of Soviet policy even without being used. The ominous reality of a giant war machine is an invaluable diplomatic weapon. Soviet bluster and bullying in the United Nations and other international forums, and the Soviets' vast propaganda and disinformation operations are founded on the USSRs power to wreak destruction on any nation on earth—except the United States.

The U.S. must remain the bulwark of freedom and defense against Soviet aggression—both blatant and subtle. This White Paper features recommendations on how the United States can continue in that vital mission. These include:

(1) The U.S. must augment and improve its conventional and strategic forces;

(2) Protect our sources of strategic minerals in the Third World;

(3) Develop a non-nuclear space defense capability as an eventual alternative to land-based ICBMs;

(4) Institute additional safeguards against the transfer of military-applicable technology and hardware to the Soviet bloc:

(5) Provide the armed forces the authority to award procurement contracts for materiel and services to the best performer;

(6) Restrict critical military contracts to U.S. firms;

(7) Rebuild our shipyard/defense mobilization base;

(8) Reexamine the performance of the all-volunteer force in light of the dwindling manpower pool and budgetary restraints on recruiting and retention;

(9) Reform the military pension system in order to reduce its cost.

These recommendations are broad. They deserve further study. Some of them have already been considered, and undertaken, by the Reagan Administration. Others should be seriously discussed and debated by the Administration and Congress. Our goal in proposing them, however, should not be subject to debate: that it falls to the United States to safeguard the liberties and the heritage of the free world. This is our responsibility. We cannot ignore it; we cannot shrink from it.

FOOTNOTES

[1] *Soviet Military Power* (Dept. of Defense) n.d. 1981, pp. 27-40, 47.

[2] Force Summary, U.S. Navy and Marine Corps," *Proceedings of the U.S. Naval Institute* (May, 1982) pp. 217-219.

[3] *Budget of the U.S. Government, Fiscal Year 1984* (U.S. Government Printing Office) p. 5-11.

[4] *Proceedings* (May 1982), pp. 217-219.

[5] *Soviet Military Power*, pp. 31, 60.

[6] *Budget*, FY84, pp. 5-9.

[7] *Soviet Military Power*, pp. 53-60.

[8] *Budget*, FY84, p. 5-13.

[9] *Soviet Military Power*, p. 88.

[10] *Budget*, FY83, p. 3-16.

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[27] Edward J. Campbell, *Leaders*, Jan.-Feb.-Mar. 1983, p. S2.

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UTAH'S "GRAND CIRCLE OF THE SOUTHWEST" AN UNFORGETTABLE ADVENTURE

● Mr. HATCH. Mr. President, I would like to take a minute to share with you the wonderful opportunity for an unforgettable adventure that Utah has to offer. I will not detract from the "Greatest Snow on Earth" offered by the Wasatch Mountains in Utah or the other wonderful opportunities there, but that is only the tip of the adventure iceberg.

This last year I was presented with a serious problem in the southern part of my State. The road from southern Utah to the north rim of the Grand Canyon was not scheduled to open until July 1. I investigated, and we got the road open by Memorial Day. In the course of this investigation I found disappointed visitors from 41 States and 13 foreign countries who had come to see this great wonder of the world and were prevented from doing so. But I found much, much more; and I have worked to be certain that the wonderful adventure of a lifetime to be found in southern Utah can be better understood and enjoyed by more citizens of our country and, indeed, the world. On this 900-mile circle, referred to as the "Grand Circle of the Southwest," can be found 7 national parks—approximately 20 percent of all national parks—including the Grand Canyon in Arizona, 6 national monuments, 1 national recreational area, 19 State parks, and 1 tribal park and historical monument.

All of these natural wonders can be visited in the comfort and convenience of your own car on self-guided tours or, if you wish, in motor coaches, on modern paved highways—an adventure unmatched anywhere in the world.

While, naturally, I would suggest that you come to Salt Lake City to start your adventure, you can join the grand circle of the Southwest from any of five major U.S. highways or from the Interstate System along its route. Las Vegas, Phoenix, and Denver are all portal cities. The entire grand circle of the Southwest is designed to be covered in as little as 7 days or you can take as long as you wish. Several days could easily and enjoyably be spent at each of the areas described.

The Grand Canyon needs no introduction. Internationally and nationally it is recognized as one of the wonders of the world. To those who wish, they may ride the raging Colorado River on an unforgettable raft trip or ride to the bottom of the canyon on mules. Of course, part of this grand adventure can be a flight by a fixed-wing aircraft or by helicopters over and through the Grand Canyon; The Grand Canyon alone is an adventure in and of itself—an adventure never to be forgotten.

Lake Powell, featured on the cover of United Airlines March issue of United Magazine, has more shoreline than the United States has on the Pacific Ocean. It is, in reality, another spectacular "Grand Canyon," coupled with a different perspective and with the added dimension of water and water experiences. Houseboats. Swimming and water sports in the shadow of spectacular beauty. Again, an adventure in and of itself. An adventure never to be forgotten.

Navajo National Monument.
Monument Valley.
Valley of the Gods.
Hovenweep National Monument.
Natural Bridges Monument.
News Paper Rock Historical Monument.
Canyonlands National Park.
Dead Horse Point State Park.
Arches National Park.
Goblin Valley State Reserve.
Capitol Reef National Park.
Bryce Canyon National Park.
Cedar Breaks National Monument.
Zion National Park.
Glen Canyon National Recreation Area.
Rainbow Bridge National Monument, and more.

Volumes can, and have been, written about the awe-inspiring beauty and unforgettable adventure to be realized at each of these fascinating sites.

You will also find on your adventure around the grand circle of the Southwest modern motels, restaurants, and other facilities with folks eager to help you. Or you may wish to camp at many of the improved or wilderness sites around the "Circle." Friendly fellow adventurers will add to your enjoyment of these natural wonders.

I would urge all Americans and our international visitors to take advantage of the marvelous opportunity to visit the grand circle of the Southwest and to share this joy with millions